(COPIED: Le/T-rmb)
11/20/47

C
O
P
Y

INCOMING TELEGRAM
DEPARTMENT OF STATE--DIVISION OF COMMUNICATIONS
AND RECORDS

RESTRICTED

Control 5392

Rec'd October 17, 1947

3:14 p.m.

FROM: Rome

TO: Secretary of State

NO: 3261, October 16, 4 p.m.

Earliest passage obtainable for Setser (URTEL 1937, October 3) will be QUEEN MARY from Southampton November 5. Will leave Rome about October 30. By that time Embassy expects very few points will remain under negotiations. Steady flow of information and decisions from Department is greatly appreciated. Setser's major part in negotiations have been of inestimable value to Embassy.

DUNN

DM:CWD

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY AJCM DATE 9/19/85
TS AUTH(S)
DECLASS
RELEASE
FA or EO EXEMPTION

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

UNCLASSIFIED

10 D

Control 5977

Action: ITP
Info:
SS
UE
C
EUR
LE
OCD
CIA
DCL
OFD
FC
OIE
DCR

Rec'd November 20, 1947
5:42 p.m.

FROM: Rome

TO: Secretary of State
3736

NO: 3736, November 20, Noon

US URGENT

DEPARTMENT OF STATE
Ue/T
NOV 24 1947
TREATY BRANCH
OFFICE OF THE LEGAL ADVISER

COMMERCIAL TREATY NO. 19.

At 14th meeting November 19 Italians communicated following decisions:

Article XI, paragraph 1. Repeated with finality that this article is agreed. This presumably means final clearance within government obtained. See EMBTEL 3368, October 23. Our explanations and amendments will appear in minutes October 22 meeting to avoid appearance lengthy discussions this matter. Only remaining point is to find better formula for reference in minutes to "engagements" of Italian Government re special character city of Rome.

Article XII proposal for new paragraph 2 as stated DEPTEL 2091, October 16, accepted. Italian Delegation expressed regret more extensive provisions impossible at this time and mentioned especial desirability of coverage for medical care (assistenza sanitaria) including doctor services for ordinary sicknesses. We suggested this type of insurance not ordinarily compulsory in US. We can let matter drop but if Department has any useful comment would be welcomed.

Article XV, paragraph 2. Redraft which was presented October 30 accepted by Italians thus also abandoning their insistence in insertion conditional MFN. However, Lombardo stated that similar provision in draft ITO Charter re goods en route had been excluded as result of recent Geneva meeting and that if US Government had no objection he would prefer to drop this paragraph also from FCN treaty. He reiterated nevertheless

UNCLASSIFIED

Declassified by Authority of Lacy A. Wright, EUR/WE 4/16/79
SMFoggie

INFORMATION COPY

INCOMING TELEGRAM

DEPARTMENT OF STATE—DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

LC/T

O D

Action: ITP
Info:
SS
UE
C
EUR
LE
OCD
CIA
DCL
OFD
FC
OIE
DCR

DEPARTMENT OF STATE
Le/T
NOV 24 1947
TREATY BRANCH
OFFICE OF THE LEGAL ADVISER

UNCLASSIFIED

CORRECTED PAGE 2 11/21/47
8 a.m
CORRECTION UNDERSCORED

CHS

-2- 3736, November 20, Noon, from Rome, Control 5877

reiterated nevertheless that Italian Delegation accepted paragraph. He pointed out that regardless of multilateral decision on ITO charter privileges for goods in transit appear reasonable and beneficial and undoubtedly represent continuing US Government policy. Accordingly Lombardo should expect that if Department is given choice of retaining this provision or of dropping it from FCN treaty it will in all probability desire retention. He said he understood this but asked that question of possible deletion be raised in any event. Instructions requested.

Article XXIV, paragraph 3. Lombardo withdrew Italian proposal to insert an exception on colonial preferences. However, see separate telegram.

Article V, paragraph 2. Partial success see separate telegram. American Delegation presented numerous proposals with following results:

Article III. Italians accepted statement in minutes that banking covered by MFN rule paragraph 1 (DEPTEL 2368, November 14). We will revise October 22 minutes accordingly. Further research on state laws unnecessary.

Article VII. Deletion of "real and other" before "immovable" accepted (DEPTEL 2245). We assure deletion intended wherever those words appear in article. Please confirm.

After lengthy discussion, Italians abandoned their request for MFN treatment on real property in paragraph 1. We mentioned phraseology suggested DEPTEL 2245 but only as a negative possibility which discretion would counsel against.

DECLASSIFIED

Article XXII, paragraph 2. We are still holding this back (DEPTEL 2368).

Article XXIII. Statement for minutes on [illegible] military personnel handed to Italians who consider [illegible] acceptable but will clear with military for record (DEPTEL 2368).

Article XXIV, paragraph 1 B. Revised text given DEPTEL 2277, November 4 was submitted. Italians desire eliminate word "national" before "works of art" and also before "antiquities" inasmuch as text otherwise (especially in Italian translation)

JAK:MEW

INFORMATION COPY

UNCLASSIFIED

reiterated nevertheless that Italian Delegation accepted paragraph. He pointed out that regardless of multilateral decision on ITO charter privileges for goods in transit appear (*) represent continuing US Government policy. Accordingly Lombardo should expect that if Department is given choice of retaining this provision or of dropping it from FCN treaty it will in all probability desire retention. He said he understood this but asked that question of possible deletion be raised in any event. Instructions requested.

Article XXIV, paragraph 3. Lombardo withdrew Italian proposal to insert an exception on colonial preferences. However, see separate telegram.

Article V, paragraph 2. Partial success see separate telegram. American Delegation presented numerous proposals with following results:

Article III. Italians accepted statement in minutes that banking covered by MFN rule paragraph 1 (DEPTEL 2368, November 14). We will revise October 22 minutes accordingly. Further research on state laws unnecessary.

Article VII. Deletion of "real and other" before "immovable" accepted (DEPTEL 2245). We assure deletion intended wherever those words appear in article. Please confirm.

After lengthy discussion, Italians abandoned their request for MFN treatment on real property in paragraph 1. We mentioned phraseology suggested DEPTEL 2245 but only as a negative possibility which discretion would counsel against.

Article XXII, paragraph 2. We are still holding this back (DEPTEL 2368).

Article XXIII. Statement for minutes on transit military personnel handed to Italians who consider it acceptable but will clear with military for record (DEPTEL 2368).

Article XXIV, paragraph 1 B. Revised text given DEPTEL 2277, November 4 was submitted. Italians desire eliminate word "national" before "works of art" and also before "antiquities" inasmuch as text otherwise (especially in Italian translation)

UNCLASSIFIED

UNCLASSIFIED

Italian translation) limits exception to locally produced treasures excluding Rembrandts, et cetera. We said we expected this would be acceptable. Please instruct.

Article XXIV, paragraph 1 E. Clarification of "extent necessary" in minutes (DEPTEL 2316, November 7) probably acceptable being passed to interested ministries for comment.

Article XXV, paragraph 3 D. Italians deny possible interpretation suggested DEPTEL 2245, October 31, but admit they do not know what specific provisions Lateran pacts are not already adequately covered. They will study question further.

Additional protocol and Article XVI, paragraph 1. Proposals DEPTEL 2316, November 7, submitted and will be studied by Ministry of Foreign Trade.

Additional protocol preamble. Rewording suggested DEPTEL 2176, October 24, mentioned verbally to Italian Delegation which promptly accepted. Before closing this matter does Embassy understand that Setser believes this rewording may not in fact meet original Italian objection as to applicability IMF? If so, please instruct.

Convention of recognition academic degrees, et cetera. After explanation given DEPTEL 2245, October 31, Italians have given this up and will pursue direct negotiations with individual associations, universities, et cetera, hoping for whatever assistance US Government may be able to render.

Exchange of notes on cultural interchange (DEPTEL 2007, October 9) agreeable to Italians.

During brief discussions of matters still pending before [illegible] delegations Italian Delegation referred again to permitted tolerances on food imports. We stated we had requested Department pursue matter and advise Italian Embassy, Washington (EMBGRAM A 1103, October 24). Appreciate progress report.

Drafting subcommittee established (Derossi, Maiano, Ainsworth) to commence examination Italian language text of treaty

[illegible] ACCEPTED
DECLASSIFIED

UNCLASSIFIED

of treaty soon as possible.

Lombardo expressed personal interest expediting conclusion of treaty earliest possible.

Summers attended meeting and we formally requested Italian Delegation determine whether and when Foreign Office may desire initiate negotiations on new consular convention.

DUNN

(*) Omission being serviced.

EHL/RSP:GB

UNCLASSIFIED

[illegible]